

<i>SERFF Tracking Number:</i>	<i>NWST-125763518</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Northwestern Long-Term Care Insurance Company</i>	<i>State Tracking Number:</i>	<i>39866</i>
<i>Company Tracking Number:</i>	<i>53-0127 LTC (0708)</i>		
<i>TOI:</i>	<i>LTC03I Individual Long Term Care</i>	<i>Sub-TOI:</i>	<i>LTC03I.001 Qualified</i>
<i>Product Name:</i>	<i>53-0127 LTC (0708)</i>		
<i>Project Name/Number:</i>	<i>53-0127 LTC (0708)/53-0127 LTC (0708)</i>		

Filing at a Glance

Company: Northwestern Long-Term Care Insurance Company

Product Name: 53-0127 LTC (0708)

TOI: LTC03I Individual Long Term Care

Sub-TOI: LTC03I.001 Qualified

Filing Type: Advertisement

SERFF Tr Num: NWST-125763518 State: ArkansasLH

SERFF Status: Closed

State Tr Num: 39866

Co Tr Num: 53-0127 LTC (0708)

State Status: Filed-Closed

Co Status:

Reviewer(s): Stephanie Fowler

Authors: Jason Gross, Tiffiney Durham

Disposition Date: 09/08/2008

Date Submitted: 08/07/2008

Disposition Status: Filed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

General Information

Project Name: 53-0127 LTC (0708)

Project Number: 53-0127 LTC (0708)

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 09/08/2008

State Status Changed: 09/08/2008

Corresponding Filing Tracking Number:

Filing Description:

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Deemer Date:

We are submitting the form 53-0127 LTC (0708) for your review and, if necessary, your approval, as advertising material for the Long Term Care Policy and related forms which have been approved in your state.

The article referenced above will be used by our agents. This article may also be used on our internet site.

If you should have any questions regarding the enclosed forms, you may call me at (414) 665-4549 or you can e-mail

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me at jasongross@northwesternmutual.com. On e-mails that are sent, please copy Tiffiney Durham at tiffineydurham@northwesternmutual.com.

Sincerely,

Jason Gross
Product Compliance Specialist

Company and Contact

Filing Contact Information

Jason Gross, Product Compliance Specialist	jasongross@northwesternmutual.com
720 E. Wisconsin Ave.	(414) 665-4549 [Phone]
Milwaukee, WI 53202	(414) 665-5006[FAX]

Filing Company Information

Northwestern Long-Term Care Insurance Company	CoCode: 69000	State of Domicile: Wisconsin
720 East Wisconsin Avenue	Group Code: 860	Company Type: Long Term Care
Rm S845		
Milwaukee, WI 53202	Group Name:	State ID Number:
(414) 665-4224 ext. [Phone]	FEIN Number: 36-2258318	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$25.00
Retaliatory?	No
Fee Explanation:	Filing Fee \$25.00 per advertising form.
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
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<i>SERFF Tracking Number:</i>	<i>NWST-125763518</i>	<i>State:</i>	<i>Arkansas</i>
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Northwestern Long-Term Care Insurance Company	\$25.00	08/07/2008	21829959
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Stephanie Fowler	09/08/2008	09/08/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Making Some Form Noise		Tiffiney Durham	08/07/2008	08/07/2008

<i>SERFF Tracking Number:</i>	<i>NWST-125763518</i>	<i>State:</i>	<i>Arkansas</i>
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Disposition

Disposition Date: 09/08/2008

Implementation Date:

Status: Filed

Comment:

Rate data does NOT apply to filing.

<i>SERFF Tracking Number:</i>	<i>NWST-125763518</i>	<i>State:</i>	<i>Arkansas</i>
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Item Type	Item Name	Item Status	Public Access
Form	Making Some Noise	Filed	Yes

SERFF Tracking Number: NWST-125763518 State: Arkansas

Filing Company: Northwestern Long-Term Care Insurance State Tracking Number: 39866
Company

Company Tracking Number: 53-0127 LTC (0708)

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Amendment Letter

Amendment Date:

Submitted Date: 08/07/2008

Comments:

My apologies for not attaching the form initially. I am attaching it now for your review. Thanks!

Changed Items:

Form Schedule Item Changes:

Form Schedule Item Changes:

Form Number	Form Type	Form Name	Action	Form Action Other	Previous Filing #	Replaced Form #	Readability Score	Attachments
53-0127 LTC (0708)	Advertising	Making Some Noise	Initial					53-0127 LTC (0708).pdf

SERFF Tracking Number:	NWST-125763518	State:	Arkansas
Filing Company:	Northwestern Long-Term Care Insurance Company	State Tracking Number:	39866
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Form Schedule

Lead Form Number: 53-0127 LTC (0708)

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Filed	53-0127 LTC (0708)	Advertising	Making Some Noise	Initial			53-0127 LTC (0708).pdf

Making some NOISE

Northwestern Long Term Care passes competition in long-term care sales

BY RICH KIRCHEN

rkirchen@bizjournals.com

QuietCare is making a bit more noise for Milwaukee insurance giant Northwestern Mutual's long-term care company, Northwestern Long Term Care Insurance Company.

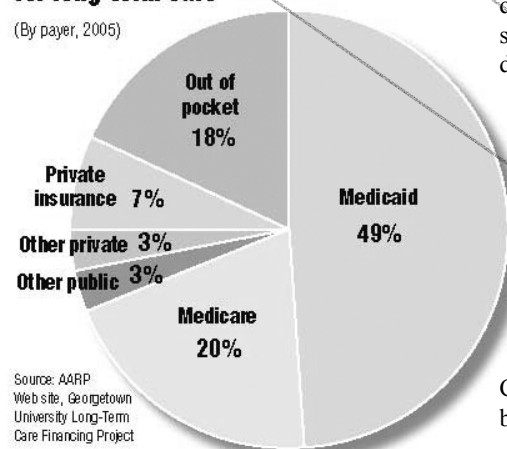
The company's slow, steady strategy of selling long-term care insurance has it surpassing the faltering competition. Yet long-term care insurance remains a tiny fraction of Northwestern Mutual's business and such products are still struggling nationwide to gain mass acceptance with consumers.

"It's been a good business for us," said Terence Holahan, the company's assistant director of long-term care sales. "We're just kind of running hard on our own."

Northwestern Mutual launched the product in September 1998 and formed a wholly owned subsidiary, Northwestern Long Term Care Insurance Company (NLTC).

National spending for long-term care

(By payer, 2005)



Source: AARP
Web site, Georgetown
University Long-Term
Care Financing Project

At the time, both life and health insurers viewed the category as an opportunity in essentially a new field. Dozens of insurers introduced products after Congress in 1996 approved the Kennedy-Kassebaum Health Insurance Portability and Accountability Act, which made long-term care premiums tax exempt.

Long-term care insurance is designed to pay for nursing home care, assisted living and home health care. Standard health insurance and Medicare do not typically cover the costs of long-term care.

Policyholders ideally pay premiums for years before they need long-term care. The younger a person is when buying a policy, the lower the premium. An average annual premium for an individual who signs on at age 50 is \$1,600 for NLTC, Holahan said.

NLTC representatives discuss long-term-care coverage as part of an overall financial security plan.

While the industry saw double-digit sales gains from 1996 through early this decade, growth has slowed and even declined some years since then, according to industry data firm LIMRA International. A long-term care marketing group, the American Association for Long-Term Care Insurance in Los Angeles, said earned premiums increased 6.4 percent in 2007 to \$10 billion.

The largest players are Genworth Financial, John Hancock Insurance and Financial Services — which acquired Milwaukee-based Fortis in 2000 — Unum and MetLife, said Jesse Slome, executive director of the Association for Long-Term Care Insurance. They market their products via broad sales channels including the Internet.

NLTC, on the other hand, sells the product



SCOTT PAULLUS

Terence Holahan . . . "It's been a good business for us."

I 'It's MASS DISTRIBUTION versus a boutique approach.'

Jesse Slome
Association for
Long Term Care
Insurance

only through its agents, who also sell Northwestern Mutual's life and disability insurance. The company says it ranks fourth among sellers of tax-qualified long term care insurance.

"It's mass distribution versus a boutique approach," Slome said.

The approach lately has enabled NLTC to

outperform the industry. The company reported that in 2007, it grew its long term care business by about \$36 million, to about \$150 million.

QUIETCARE: Long-term care product passes competitors'

NORTHWESTERN LONG TERM CARE INSURANCE CO.

HEADQUARTERS: Milwaukee

POLICYHOLDERS: 77,000

AVERAGE ANNUAL INDIVIDUAL PREMIUM (AGE 50): \$1,600

DIRECT PREMIUMS EARNED 2007: \$150 million

NEW LONG-TERM CARE PREMIUMS 2007: \$36 million

ASSETS 2006*: \$217.1 million

LIABILITIES 2006*: \$158.8 million

DIVIDENDS PAID 2007: \$3.9 million

DIVIDENDS TO BE PAID 2008: \$6 million

* 2007 figures not yet available

Source: Northwestern Mutual and National Association of Insurance Commissioners



SCOTT PAULUS

Terence Holahan . . . "Our upfront pricing is not as attractive as others, but long term we have superior value."

DIVIDEND TOTALS

NLTC can pay dividends and started that in 2007. Dividends totaled \$3.9 million in 2007 and will increase to \$6 million this year. About half of the company's long-term care insurance customers are eligible for the dividend, which reduces their premium payments by 8 percent to 25 percent, Holahan said.

The company has 77,000 policyholders for long-term care insurance, but that's dwarfed by Northwestern Mutual's 3.3 million life insurance customers.

Long-term care insurance remains a difficult sale with most consumers. Asset protection should be an incentive to buy but "long-term care has the longest sales cycle, the premiums are large, and people just aren't convinced that they will need it," said Deborah Clem-Buckert of New York Life Insurance in Overland Park, Kan.

The product has also received some negative media coverage, including a New York Times investigation in 2007 that found some long-term care insurers made it difficult, if not impossible, for policyholders to get paid.

NLTC had no complaints filed against it in

2006, the most recent year for which figures are available from the National Association of Insurance Commissioners.

A number of insurance carriers have exited the business after they "mispriced" their products and couldn't pay the benefits they promised, said NLTC spokeswoman Jean Towell.

"Our upfront pricing is not as attractive as others, but long term we have superior value," Holahan said.

Insurers paid out \$3.5 billion to long-term care policyholders in 2007, and that is starting to result in a "trickle down of good will," for the product, Slome said.

YOUNGER CUSTOMERS

NLTC expects the majority of its claims activity to be in 20 to 30 years as baby boomers need more expensive care.

In spite of the slow growth in the industry, NLTC and other insurers are upbeat about the future mainly because of the growing baby-boom population facing their long-term care needs. People are living longer, and the population age 65 and over will reach 40 million in 2010 and 55 million in 2020.

Many insurers initially marketed the product as "nursing home insurance," but that has shifted to touting in-home care and assisted living, Slome said.

"That makes it more palatable for people in their '50s," he said.

Indeed, the average age of customers buying the insurance has dropped from 67 in 2000 to 57 today, Slome said.

"That's a seismic change in the marketplace," he said.

Another growing market for the product is small-business owners who are buying it either for themselves or for employees as a benefit. Sales increased 24 percent in that category during 2007, Slome said.

Northwestern Long Term Care Insurance Co. has no plans to drop long-term care insurance and intends to continue to include long-term care insurance in conjunction with Northwestern Mutual's suite of financial products.

Slome predicts sales will double in next decade but long-term care insurance will remain "an important niche product."

"It's never going to be something every American is going to own," he said.

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Policy forms RS.LTC.(0708) and RS.LTC.ML.(0708) contains exclusions and limitations.

Form RS.LTC.ML.(0708) is only available in New Jersey, New York and Pennsylvania.

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Northwestern Long Term Care Insurance Company's LTC insurance policy contains exclusions and limitations.

Dividends are not guaranteed. They are determined at the discretion of the Board of Directors on a yearly basis.

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Rate Information

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